



0000197955

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

ROBERT "BOB" BURNS - Chairman
 ANDY TOBIN
 BOYD DUNN
 SANDRA D. KENNEDY
 JUSTIN OLSON

MAY 15 2019

DOCKETED BY

AA

In the matter of)

JEREMY VINCENT DIAZ (CRD
 #4735164), a single man,)

DOCKET NO. S-20983A-16-0299

TROY MICHAEL BOHLKE, a single man,)

DECISION NO. 77172

IDIAZ, LLC, an Arizona limited liability
 company,)

**ORDER TO CEASE AND DESIST, ORDER
 FOR RESTITUTION, AND ORDER FOR
 ADMINISTRATIVE PENALTIES AGAINST
 JEREMY DIAZ; IDIAZ, LLC; AND WEALTH
 CREATOR PRIVATE EQUITY, LLC**

WEALTH CREATOR PRIVATE EQUITY,
 LLC, an Arizona limited liability company,)

ARIZONA ACQUISITIONS GROUP,
 LLC, an Arizona limited liability company,)

Respondents.)

On August 30, 2016, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties, and Order for other Affirmative Action against Respondents Jeremy Diaz; IDIAZ, LLC; and Wealth Creator Private Equity, LLC (collectively, "Defaulting Respondents"). On August 7, 2018, the Division filed an Amended Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, and Order for Administrative Penalties ("Amended Notice") to include additional respondents and allegations.

On August 14, 2018, the Division served a copy of the Amended Notice upon IDIAZ, LLC by mailing a copy of the Amended Notice to IDIAZ, LLC's statutory agent via certified mail.

1 As of December 31, 2018, service by publication of the Amended Notice pursuant to A.A.C.
2 R14-4-303 was complete as to Jeremy Diaz.

3 On January 15, 2019, the Corporations Division was served with the Amended Notice on
4 behalf of Wealth Creator Private Equity, LLC pursuant to A.R.S. § 29-606.

5 No Answer or Request for Hearing has been filed by any of the Defaulting Respondents as
6 of April 23, 2019.

7 **I.**

8 **FINDINGS OF FACT**

9 1. Jeremy Vincent Diaz (“Diaz”) was a resident of Arizona during all times relevant to this
10 matter.

11 2. Diaz was registered with the Commission as a securities salesman from on or around
12 March 1, 2004 to May 24, 2010.

13 3. From on or around June 14, 2007 to May 24, 2010, Diaz was associated with Merrill
14 Lynch, Pierce, Fenner & Smith, Inc. (“Merrill Lynch”), a FINRA-regulated broker-dealer.

15 4. Diaz’s securities salesman registration was automatically suspended on May 24, 2010
16 pursuant to A.R.S. § 44-1949 and has not been reinstated.

17 5. IDIAZ, LLC (“IDIAZ”) is a manager-managed Arizona limited liability company
18 organized in August 2009.

19 6. Diaz has been the sole member and manager of IDIAZ since its organization.

20 7. Wealth Creator Private Equity, LLC (“Wealth Creator”) is a manager-managed
21 Arizona limited liability company organized in June 2010.

22 8. Diaz has been the sole manager of Wealth Creator since its organization.

23 9. Arizona Acquisitions Group, LLC (“AAG”) is a manager-managed Arizona limited
24 liability company organized in May 2009.

25 10. AAG was administratively dissolved in September 2013.

1 11. Other than Diaz, none of the Respondents have been registered with the Commission as
2 a securities salesman or securities dealer at any time.

3 12. From approximately September 2008 to November 2010, Defaulting Respondents
4 offered and sold unregistered securities in the form of investment contracts, stock, promissory notes,
5 and membership units. During the course of offering the securities, Defaulting Respondents made
6 false and misleading statements and omissions regarding material facts. Defaulting Respondents also
7 misappropriated certain investment funds.

8 ***Diaz's Oil Investments***

9 13. On or around September 13, 2008, Diaz, then a broker at Merrill Lynch, offered his
10 client, V.D., an investment in an oil business.

11 14. Diaz was aware that V.D. had neither the assets nor the income to qualify as an
12 accredited investor, as she had spent her career as a nun and a Catholic school teacher investor.

13 15. Diaz gained V.D.'s trust and confidence by claiming to share her Catholic faith.

14 16. Diaz was also aware that V.D. was legally blind due to macular degeneration, and
15 was therefore unable to read any documents regarding the investments offered to her.

16 17. Diaz provided V.D. with very little information regarding the purported oil businesses
17 in which her money was to be invested. However, Diaz did represent to V.D. that she would receive
18 a return on her investments in the form of dividends.

19 18. Diaz also represented to V.D. that her investment money would be pooled with money
20 from other investors, and that her return would be dependent upon the success of the oil businesses.

21 19. V.D. had no authority to participate in the management or operations of the oil
22 businesses, nor did she have the experience or education that would allow her to do so.

23 20. V.D.'s investment funds were to be spent only on business expenses. V.D. would not
24 have invested had she known that Diaz would use her investment money on personal expenses.

25 21. Based on Diaz's representations, V.D. invested \$65,074 in Diaz's purported oil
26 companies from September 2008 through July 2010.

1 22. Diaz has not returned any of V.D.'s investment funds to her.

2 23. Diaz misappropriated certain funds invested by V.D. and used the funds for personal
3 expenses.

4 24. During a telephone call in December 2012, Diaz confessed to V.D. that he had lied to
5 her regarding her investments with him, and that he had misappropriated the funds for his personal
6 benefit.

7 25. On or around August 5, 2010, Diaz offered stock in a purported oil business to another
8 client ("P.L.").

9 26. Diaz represented to P.L. that the investment proceeds would be used to develop an oil
10 well in Texas.

11 27. On August 5, 2010, Diaz sold stock in the purported oil business to P.L. in exchange
12 for a \$100,000 check. The check was tendered to Diaz in person at P.L.'s Arizona residence.

13 28. Only \$11,052.31 of P.L.'s investment money has been returned to him by Diaz.

14 29. V.D. and P.L. were Arizona residents at all times material to this matter.

15 30. None of the foregoing investments offered and sold by Diaz to the Oil Investors were
16 registered with the Commission.

17 ***Diaz's Promissory Notes***

18 31. From July 2010 through October 2010, Diaz, IDIAZ, and/or Wealth Creator offered
19 and sold at least seven promissory notes to three of Diaz's clients ("Note Investors"). Six of the
20 promissory notes were sold to the Note Investors by Diaz and IDIAZ in exchange for \$58,000. Diaz
21 and Wealth Creator sold an additional promissory note to a Note Investor in exchange for \$25,000.

22 32. All of the Note Investors were Arizona residents at all times material to this matter.

23 33. The rates of return on the notes offered and sold by Diaz and IDIAZ ranged from 5%
24 for a one-week term to 100% for a thirty-business-day term.

1 34. Diaz represented to two of the Note Investors, who purchased four of the notes, that
2 the proceeds would be used to invest in Iraqi dinar or an oil business which Diaz represented was a
3 “sure thing.”

4 35. Diaz falsely represented to at least one of the Note Investors, who purchased two of
5 the notes, that the offering had raised millions of dollars from many investors.

6 36. Diaz, IDIAZ, and Wealth Creator misappropriated funds invested by at least two of
7 the Note Investors and used the funds for Diaz’s personal benefit.

8 37. None of the Note Investors received any return of their investments.

9 38. None of the notes sold to the Note Investors were registered with the Commission.

10 ***Diaz’s Iraqi Dinar Investment Contracts***

11 39. In September 2010, Diaz offered and sold two investments in Iraqi currency (dinar)
12 to a former client (“Dinar Investor”) in exchange for \$20,000.

13 40. The Dinar Investor was an Arizona resident at all times material to this matter.

14 41. Diaz represented to the Dinar Investor that the Iraqi currency, the dinar, had
15 significantly devalued due to the war in Iraq and the collapse of Iraq’s economy.

16 42. Diaz further represented to the Dinar Investor that the Iraqi dinar would appreciate
17 and yield a good return on the investment.

18 43. Diaz also represented to the Dinar Investor that an undisclosed third party would use
19 the investment money to buy and sell Iraqi dinars. The third party would contact the Dinar Investor
20 to set up a meeting in Puerto Rico once the desired return had been achieved.

21 44. The Dinar Investor had no role in the dinar investment other than his contribution of
22 money.

23 45. On or around September 2, 2010, Diaz sold the Dinar Investor the dinar investment
24 in exchange for a \$1,000 personal check.

1 46. On or around September 8, 2010, Diaz offered the Dinar Investor a second investment
2 opportunity involving the purchase of Iraqi dinar. Diaz sold the second dinar investment to the Dinar
3 Investor in exchange for a \$19,000 personal check.

4 47. The Dinar Investor has not received any return of the \$20,000 he invested.

5 48. Diaz misappropriated certain funds invested by the Dinar Investor and used the funds
6 for personal expenses.

7 49. Neither of the Iraqi dinar investments offered and sold by Diaz were registered with
8 the Commission.

9 *Arizona Acquisitions Group*

10 50. From July 2009 through December 2009, Diaz offered securities within or from
11 Arizona in the form of AAG membership units to at least three investors ("AAG Investors") who
12 later invested at least \$82,500 in AAG.

13 51. During the offering, certain AAG Investors were told by Diaz that the investment
14 proceeds would be used to fund a real estate business called "The Westward Fund."

15 52. Westward Fund I, LLC was a Delaware limited liability company organized in May
16 2009 with the intention of operating as a real estate investment business.

17 53. Prior to purchasing membership interests, at least one AAG Investor was given a
18 brochure ("Brochure") by Diaz for Westward Fund I, LLC.

19 54. The Brochure stated that The Westward Fund would take advantage of real estate
20 opportunities during the market downturn by purchasing real estate assets at low prices, and then
21 selling those assets for a profit.

22 55. The Brochure stated that the fund would be managed by Equity Capital Group, and
23 that Stephen Kohner ("Kohner") was the principal owner and manager of Equity Capital Group.

24 56. The Brochure stated that "Over a 25 year career, [Kohner] has been successfully
25 involved in more than \$1.5 billion real estate ventures, [sic] and currently manages projects in the
26 U.S. southwest with an estimated completion value of over \$1 billion."

1 57. AAG sent additional promotional materials to least one AAG Investor, including a
2 document titled "Understanding the Fund." The document identified Kohner as the principal owner
3 of Equity Capital Group and stated that he "has been involved in over \$1.5 billion in real estate
4 ventures and currently has in excess of \$1 billion in development."

5 58. Diaz omitted to tell the AAG Investors that, at the time of the AAG offering, Kohner
6 was or had recently been a defendant in several lawsuits seeking millions of dollars in damages in
7 connection with real estate matters.

8 59. Diaz falsely represented to certain AAG Investors that, by investing in AAG, they
9 were investing in The Westward Fund.

10 60. Prior to investing, the AAG Investors were provided with a document titled "Arizona
11 Acquisitions Group, LLC – Investment Opportunity – Terms of Agreement" ("AAG Agreement").

12 61. Pursuant to the AAG Agreement, an investor would receive membership units in
13 exchange for his investment, generally priced at \$15,000 per unit.

14 62. The AAG Agreement provided that, 180 days from the investment date, the AAG
15 Investors would receive a cash payment.

16 63. The AAG Agreements received by the AAG Investors provided examples in which
17 the cash payments were more than three times the investment principal.

18 64. Pursuant to their agreements with Diaz and/or AAG, the AAG Investors were solely
19 passive investors and had no authority, responsibilities, or duties with respect to AAG.

20 65. None of the investment proceeds from the AAG Investors were directly or indirectly
21 invested in or otherwise sent to Westward Fund I, LLC.

22 66. At least one investment of \$33,500 was disbursed in its entirety to Diaz, who used
23 most or all of the funds on personal expenses.

24 67. None of the AAG Investors received any return of their principal or return on their
25 investments.

26

68. The AAG membership units offered and sold to the AAG Investors by Diaz were not registered with the Commission.

II.

CONCLUSIONS OF LAW

69. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

70. Respondents Diaz, IDIAZ, and Wealth Creator offered or sold securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(16), 44-1801(22), and 44-1801(27).

71. Respondents Diaz, IDIAZ, and Wealth Creator violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

72. Respondents Diaz, IDIAZ, and Wealth Creator violated A.R.S. § 44-1842 by offering or selling securities while neither registered as a dealer or salesman nor exempt from registration.

73. Respondents Diaz, IDIAZ, and Wealth Creator violated A.R.S. § 44-1991 by (a) employing a device, scheme, or artifice to defraud, (b) making untrue statements or misleading omissions of material facts, and (c) engaging in transactions, practices, or courses of business that operate or would operate as a fraud or deceit.

74. The foregoing conduct by Respondents Diaz, IDIAZ, and Wealth Creator is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

75. The foregoing conduct by Respondents Diaz, IDIAZ, and Wealth Creator is grounds for an order of restitution pursuant to A.R.S. § 44-2032.

76. The foregoing conduct by Respondents Diaz, IDIAZ, and Wealth Creator is grounds for administrative penalties under A.R.S. § 44-2036.

77. Diaz directly or indirectly controlled IDIAZ and Wealth Creator within the meaning of A.R.S. § 44-1999. Therefore, Diaz is jointly and severally liable under A.R.S. § 44-1999 to the same extent as IDIAZ and Wealth Creator for any violations of the Securities Act.

III.**ORDER**

1
2
3 THEREFORE, on the basis of the Findings of Fact, and Conclusions of Law, the Commission
4 finds that the following relief is appropriate, in the public interest, and necessary for the protection
5 of investors:

6 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Defaulting Respondents, and any of
7 Defaulting Respondents' agents, employees, successors and assigns, permanently cease and desist
8 from violating the Securities Act.

9 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondent Diaz shall pay
10 restitution to the Commission in the principal amount of \$236,521.69 as a result of the conduct set
11 forth in the Findings of Fact and Conclusions of Law. Payment is due in full on the date of this
12 Order. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account
13 controlled by the Commission.

14 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondent Diaz shall,
15 jointly and severally with IDIAZ under Docket No. S-20983A-16-0299, pay restitution to the
16 Commission in the principal amount of \$78,000 as a result of the conduct set forth in the Findings
17 of Fact and Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be
18 made to the "State of Arizona" to be placed in an interest-bearing account controlled by the
19 Commission.

20 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondent Diaz shall,
21 jointly and severally with Wealth Creator under Docket No. S-20983A-16-0299, pay restitution to
22 the Commission in the principal amount of \$25,000 as a result of the conduct set forth in the Findings
23 of Fact and Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be
24 made to the "State of Arizona" to be placed in an interest-bearing account controlled by the
25 Commission.
26

1 IT IS FURTHER ORDERED that the restitution ordered in the preceding paragraphs will
2 accrue interest, as of the date of the Order, at the rate of the lesser of (i) ten percent per annum or (ii)
3 at a rate per annum that is equal to one per cent plus the prime rate as published by the board of
4 governors of the federal reserve system in statistical release H. 15 or any publication that may
5 supersede it on the date that the judgment is entered.

6 The Commission shall disburse the funds on a pro-rata basis to investors shown on the records
7 of the Commission. Any restitution funds that the Commission cannot disburse because an investor
8 refuses to accept such payment, or any restitution funds that cannot be disbursed to an investor
9 because the investor is deceased shall be disbursed on a pro-rata basis to the remaining investors
10 shown on the records of the Commission. Any funds that the Commission determines it is unable to
11 or cannot feasibly disburse shall be transferred to the general fund of the state of Arizona.

12 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent Diaz shall pay
13 an administrative penalty in the amount of \$45,000 as a result of the conduct set forth in the Findings
14 of Fact and Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be
15 made to the "State of Arizona." Any amount outstanding shall accrue interest as allowed by law.

16 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent Diaz shall,
17 jointly and severally with IDIAZ under Docket No. S-20983A-16-0299, pay an administrative
18 penalty in the amount of \$35,000 as a result of the conduct set forth in the Findings of Fact and
19 Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be made to the
20 "State of Arizona." Any amount outstanding shall accrue interest as allowed by law.

21 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent Diaz shall,
22 jointly and severally with Wealth Creator under Docket No. S-20983A-16-0299, pay an
23 administrative penalty in the amount of \$10,000 as a result of the conduct set forth in the Findings of
24 Fact and Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be
25 made to the "State of Arizona." Any amount outstanding shall accrue interest as allowed by law.

26

1 IT IS FURTHER ORDERED that the administrative penalties ordered in the preceding
 2 paragraphs will accrue interest at the rate of the lesser of (i) ten percent per annum or (ii) at a rate
 3 per annum that is equal to one per cent plus the prime rate as published by the board of governors of
 4 the federal reserve system in statistical release H. 15 or any publication that may supersede it on the
 5 date that the judgment is entered.

6 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
 7 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
 8 shall be applied to the penalty obligation.

9 IT IS FURTHER ORDERED, that if Defaulting Respondents fail to comply with this order,
 10 the Commission may bring further legal proceedings against them, including application to the
 11 superior court for an order of contempt.

12 IT IS FURTHER ORDERED that this Order shall become effective immediately.

13
 14 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

15 **RECUSED**

16 CHAIRMAN BURNS

17 
 18 COMMISSIONER DUNN

19 
 20 COMMISSIONER TOBIN

21 
 22 COMMISSIONER KENNEDY

23 
 24 COMMISSIONER OLSON



IN WITNESS WHEREOF, I, MATTHEW J. NEUBERT,
 Executive Director of the Arizona Corporation Commission,
 have hereunto set my hand and caused the official seal of the
 Commission to be affixed at the Capitol, in the City of Phoenix,
 this 15 day of May, 2019.

27 
 28 MATTHEW J. NEUBERT
 29 EXECUTIVE DIRECTOR

1
2 DISSENT

3
4 DISSENT

5
6 This document is available in alternative formats by contacting Kacie Cannon, ADA Coordinator,
7 voice phone number (602) 542-3931, e-mail kcannon@azcc.gov.

8 (CAN)
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

SERVICE LIST FOR: *Jeremy Vincent Diaz et al.*

Jeremy Vincent Diaz
6008 Chessington Ave.
Las Vegas, NV 89131-2326
Respondent

Jeremy Vincent Diaz
P.O.Box 701368
San Antonio, TX 78270
Respondent

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 ROBERT "BOB" BURNS – Chairman
4 ANDY TOBIN
5 BOYD DUNN
6 SANDRA D. KENNEDY
7 JUSTIN OLSON

8 In the matter of:

9 JEREMY VINCENT DIAZ (CRD #4735164), a
10 single man,

11 TROY MICHAEL BOHLKE, a single man,

12 IDIAZ, LLC, an Arizona limited liability
13 company,

14 WEALTH CREATOR PRIVATE EQUITY, LLC,
15 an Arizona limited liability company,

16 ARIZONA ACQUISITIONS GROUP, LLC, an
17 Arizona limited liability company,

18 Respondents.

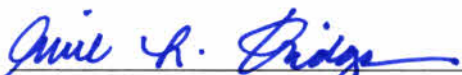
) DOCKET NO: S-20983A-16-0299

) **CERTIFICATION OF SERVICE OF**
) **PROPOSED OPEN MEETING AGENDA**
) **ITEM**

19 On this 9 day of April, 2019, the foregoing document was filed with Docket Control as a
20 proposed Order to Cease and Desist, Order for Restitution, and Order for Administrative Penalties
21 Against Jeremy Diaz; IDIAZ, LLC; and Wealth Creator Private Equity, LLC, and copies of the
22 foregoing were mailed on behalf of the Securities Division to the following who have not
23 consented to email service. On this date or as soon as possible thereafter, the Commission's
24 eDocket program will automatically email a link to the foregoing to the following who have
25 consented to email service.

26 Jeremy Vincent Diaz
6008 Chessington Ave.
Las Vegas, NV 89131-2326
Respondent

1 Jeremy Vincent Diaz
2 P.O.Box 701368
3 San Antonio, TX 78270
4 *Respondent*

5 By: 
6 Emie R. Bridges, Executive Assistant
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26